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House of Representatives

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore [Mr. MILLER of Florida].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 18, 1995.

I hereby designate the Honorable DAN MILLER to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Florida [Mr. GOSS] for 5 minutes.

MEDICARE REFORM

Mr. GOSS. Mr. Speaker, the rhetoric has gotten pretty thick and possibly even a little sick around here recently, even by Washington standards. That is why I thought it would be helpful to take a look at the bigger picture. Specifically, I would like to take a moment this morning to investigate the long-term ramifications if we heed the advice of House Democrats and ignore the pending bankruptcy of the Medicare reform situation.

This chart, compiled by the bipartisan Kerrey Commission on entitlements, which I served on last year,

states in no uncertain terms the dire consequences of inaction, of doing nothing. As you can see, in this area here, under current trends, by the year 2012, this year right here, which is only 17 years away, outlays for entitlement spending and interest on the national debt will consume all tax revenues. That is the green line. When this line is exceeded by any one of these columns, we are spending more than we are taking in. And in this case, entitlement spending and interest alone on the national debt will consume all the revenues we have collected by the Federal Government. There will be nothing left for anything else, law enforcement, military, or anything like that.

By the year 2030, entitlement spending alone will consume all tax revenues collected by the Federal Government. This is a major crisis, albeit it is a little hard to grasp and it threatens every Federal program, including the entitlement programs themselves, whether they are Medicare, Medicaid, veterans, even Social Security. You name it. We have to do something.

Mr. Speaker, what is driving this explosion in entitlement spending which we are seeing in this chart? There, in fact, are many factors, but primarily it is the out-of-control and gigantic increases in Medicare spending. We all know that the Medicare trustees' report states that the Medicare part A trust fund will be bankrupt in 7 years, in the year 2002. Ninety percent of Americans understand that according to the polls.

Mr. Speaker, essentially we have two options. We can reduce costs and reform the system now, which is what the Republicans are trying to do, or we can wait and raise taxes again later, which seems to be the plan of the Democrats.

A study conducted by John Berthoud of the Alexis de Toqueville Institute underscores the dire ramifications of raising taxes rather than addressing

the inefficiencies in the current system right now today.

His study backs up the Medicare trustees' own numbers showing the potential disaster for future beneficiaries and taxpayers. If we do not act until 2002, as the other side seems to advocate, the payroll tax would have to more than double, rising from the current 2.9 percent level to 6.81 percent just to bring the fund into long-term balance. A tax hike that steep would mean over \$1 trillion in taxes over the next 7 years alone on American taxpayers.

Mr. Speaker, to bring that astounding number into human terms, a worker earning \$45,000 would have to pay an extra \$1,500 in nonrefundable payroll taxes annually. That would be \$4 a day more every day, Saturday and Sunday and holidays included, \$4 more in taxes every day just to cover the trust fund of Medicare if we do not act now. And that is just part A.

Assuming middle-of-the-road projections, the part B taxpayer subsidy will grow to \$147 billion by 2004 if allowed to remain in auto pilot, which is where it is now. That is four times what it is today.

Mr. Speaker, where are we going to get that kind of money, \$147 billion? You guessed it, from the taxpayers. The leadership on the other side of the aisle last week in the Washington Post accused Republicans of playing a shell game and disguising the real costs of Medicare reform. What they really should acknowledge is the tremendous cost of maintaining the status quo and the increasing cost of the future status quo they advocate.

Mr. Speaker, my constituents gave me a clear message over the August break: Go back to Washington and do what it takes to fix the problem. They have seen payroll taxes increase before, in fact, 23 of them in the past 27 years. Twenty-three payroll taxes and they know that isn't the answer.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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